



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

MARIANNE UDOW
DIRECTOR

August 10, 2005

The Honorable [Bill Hardiman](#), Chair
Senate Appropriations Subcommittee on FIA
Michigan State Senate
State Capitol
Lansing, Michigan 48933

The Honorable [Rick Shaffer](#), Chair
House Appropriations Subcommittee on FIA
Michigan House of Representatives
State Capitol
Lansing, Michigan 48933

Dear [Senator Hardiman and Representative Shaffer](#):

Section [674 of 2004](#) Public Act 344 (Enrolled [House Bill No. 5516](#)) requires the department to develop and implement a plan to reduce waste, fraud, and abuse within the child day care program, including feasibility for expanding wage match and employer verification, unannounced home call verification at day care sites, and other process changes.

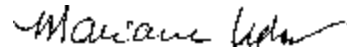
The department has created a Child Development and Care Fraud Workgroup lead by Janet Strobe, Director of Family Support Services, which consists of DHS staff from central office, field and zone offices, training, recoupment, customer services, budget and legal affairs, and staff of the Office of Inspector General.

The sub-group working on "Publicizing Day Care Fraud" has made several recommendations for publicizing fraud and raising public awareness. Unfortunately, there is no additional money to support this effort. The group is working on identifying possible actions that are "no cost" such as including messages on the provider pay stub regarding fraud and the integrity of the job they are responsible for, and including information on the DHS public website with links to the Office of Inspector General for fraud referrals.

Members of the fraud workgroup are also participating in the revision of the Child Care Administrative Rules. Meetings have been scheduled to begin in September to review the rules and to begin discussion on necessary changes. The changes will primarily focus on actions necessary to increase the accuracy and integrity of the child care program.

If you have any questions regarding the report, please contact John Sorbet, Chief Administrative Officer at (517) 373-7914.

Sincerely,

A handwritten signature in black ink, appearing to read "Marianne Udow", with a stylized flourish at the end.

Marianne Udow

cc: Senate Appropriations Subcommittee on FIA
House Appropriations Subcommittee on FIA
Senate and House Fiscal Agencies
Republican and Democrat Policy Offices
State Budget Office